

Weekly Economic Review

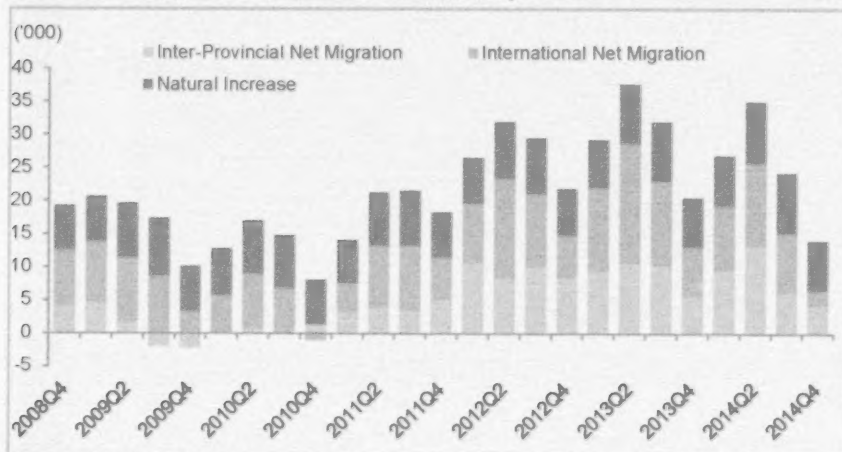
Lower migration eases population growth

Population

Population growth slows

The population of Alberta was 4,160,044 as of January 1st, 2015, an increase of 2.5% compared with January 2014. The province's growth rate remains the highest of any province and more than double the national rate. However, growth has been slowing as both interprovincial and international migration have eased (Chart 1).

Chart 1: Fewer people moved to Alberta in the fourth quarter
Quarterly change in the population of Alberta by source



Source: Statistics Canada

Chart 2: Energy prices hold down inflation
Alberta CPI inflation



Source: Statistics Canada

In the fourth quarter, Alberta welcomed 2,352 people from outside the country, the lowest net-international migration since 2010. The low net inflows were the result of 5,488 non-permanent residents leaving the province. The province settled 9,180 new permanent residents, a record number for the fourth quarter. Gains in interprovincial migration were the lowest since 2011. On net, Alberta attracted 4,178 people from other parts of the country, with the largest inflows coming from Ontario. Alberta lost 548 people to BC, the second-straight quarter of net outflows to that province.

For a more information, see the [Quarterly Population Report](#).

Consumer Price Index

Inflation remains subdued

Alberta inflation remained low in February at 0.9%. The weakness came from gasoline prices, which were down 22.8% year-over-year (y/y), despite increasing from January. Electricity and natural gas prices also declined. Excluding energy, inflation was 2.5% (Chart 2), pushed up by higher food costs, as meat prices increased 14.6% y/y. Homeowners' and mortgage insurance continued to add to inflation, having posted double digit growth for more than a year.

Canadian headline inflation was also subdued at 1.0% y/y, and the Bank of Canada's core reading was 2.1%.

Retail sales

Sales fall

In January, Alberta retail sales were \$6.3 billion, down 2.8% from December, the fourth-straight monthly decline. Year-over-year, sales were down 2.3%. Gasoline station sales (-20%) were responsible for the yearly decline. This

was less than the January decline in gasoline prices of 28.0% y/y. Motor vehicle and parts dealers were also a drag on sales (Chart 3), falling 5.0% y/y, in January.

Manufacturing Sales

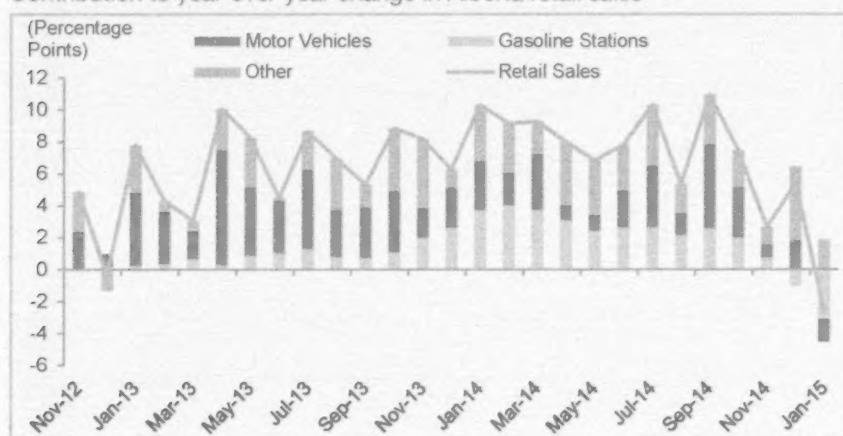
Petroleum products drag down manufacturing

Alberta manufacturing sales in January 2015 were down year-over-year for the first time since April 2013, falling 8.5%. Petroleum and coal products led the decline (Chart 4), plummeting by 42% due to a decrease in the price and volume of refined petroleum products. As a result of the sharp drop, petroleum and coal's share of total manufacturing sales fell from 28.5% in 2014 to 20.6% in January. Excluding petroleum and coal products, manufacturing sales were

up 3.4% y/y. Food manufacturing was up 11.7% because of an increase in meat slaughter and high cattle prices. Machinery shipments were up 17%, led by oil and gas machinery, which rose 21%.

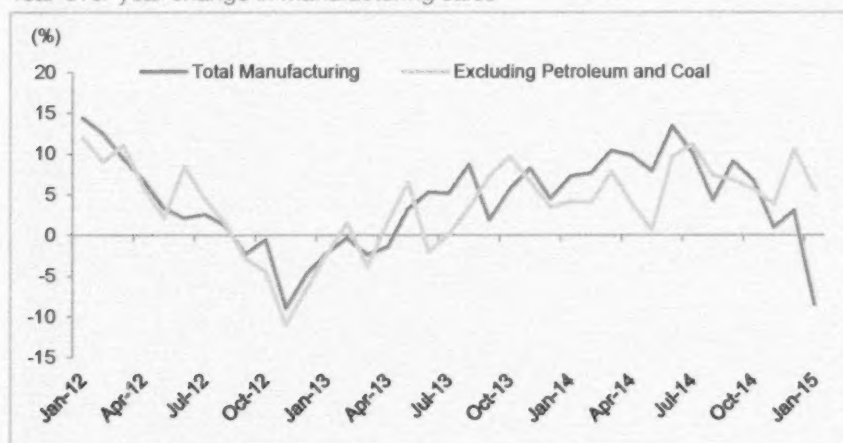
Nationally, only Alberta and New Brunswick experienced a substantial decline. In particular, sales increased in Ontario by 6.0% y/y and in Quebec by 5.5% y/y.

Chart 3: Retail sales of gasoline and motor vehicles have declined
Contribution to year-over-year change in Alberta retail sales



Source: Statistics Canada

Chart 4: Non-petroleum manufacturing continues to increase
Year-over-year change in manufacturing sales



Source: Statistics Canada

Job Vacancies

Vacancies slip

Alberta job vacancies averaged 43,900 in the three months ending in December, one of the lowest levels of 2014 and a decline of 3.1% over the same period in 2013. The decline in job vacancies moved the job vacancy rate, or proportion of positions that were unfilled, down to 2.1%, a new low since the series began in 2011. Alberta continues to lead the provinces in Job vacancy rate, however, the gap has narrowed considerably.

There were 232,800 job vacancies across Canada for the three months ending in December, an increase of 15.0% over the same period in 2013. The vacancy rate was 1.5% in Canada.

Wholesale Trade

Pharmaceutical sales surge

Wholesale trade in Alberta totaled \$7.1 billion in January, up 5.6% y/y. The greatest dollar increase came from a spike in pharmaceutical sales, which were 23% higher than in January 2014. Chemicals (excluding agriculture) were up 21.6% and food beverage, and tobacco sales increased 5.0%. This more than made up for declines in machinery and equipment sales, which fell 5.3% y/y.

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Please see the [Alberta Economy- Indicators at a Glance](#) for a snapshot of Alberta indicators.